

following the consummation of the Merger to any Commercial Mobile Radio Service spectrum aggregation limit restriction pursuant to the provisions of 47 C.F.R. Section 20.6 or place SBC and its Subsidiaries following the consummation of the Merger in violation of the Cellular Cross Ownership limits contained in 47 C.F.R. Section 22.942. For purposes of this clause (ix), the amount spent with respect to any acquisition shall be deemed to include the aggregate amount of capital expenditures that the Company is obligated to make at any time or plans to make as a result of such acquisition within two years after the date of acquisition;

(x) neither it nor its Subsidiaries shall enter into any business other than the telecommunications business and those businesses traditionally associated with the telecommunications business; and

(xi) neither it nor any of its Subsidiaries shall authorize or enter into any agreement to do any of the foregoing.

(b) SBC covenants and agrees as to itself and its Subsidiaries that after the date hereof and prior to the Effective Time (unless the Company shall otherwise approve in writing, which approval shall not be unreasonably withheld or delayed, and except as otherwise expressly contemplated by this Agreement, disclosed in the SBC Disclosure Letter or required by applicable Law):

(i) the business of it and its Subsidiaries shall be conducted in the ordinary and usual course and, to the extent consistent therewith, it and its Subsidiaries shall use all reasonable best efforts to preserve its business organization intact and maintain its existing relations and goodwill with customers, suppliers, regulators, distributors, creditors, lessors, employees and business associates;

(ii) it shall not (A) amend its certificate of incorporation or by-laws in any manner that would prohibit or hinder, impede or delay in any material respect the Merger or the consummation of the transactions contemplated hereby, provided that any amendment to its certificate of incorporation to increase the authorized number of shares of any class or series of the capital stock of SBC shall in no way be restricted by the foregoing; (B) declare, set aside or pay any dividend or other distribution payable in cash or property (other than SBC Common Stock or rights to purchase SBC Common Stock or SBC Preferred Stock pursuant to any successor agreement to the SBC Rights

Agreement) in respect of any capital stock, other than per share regular quarterly cash dividends in amounts consistent with its past practice; or (C) repurchase, redeem or otherwise acquire, or permit any of its Subsidiaries to purchase or otherwise acquire, except in open market transactions in connection with the SBC Stock Plans, any shares of its capital stock or any securities convertible into or exchangeable for any shares of its capital stock, but subject to SBC's obligations under subparagraph (iii) below;

(iii) neither it nor any of its Subsidiaries shall knowingly take any action that would prevent the Merger from qualifying for "pooling-of-interests" accounting treatment or as a tax-free "reorganization" within the meaning of Section 368(a) of the Code or that would cause any of its representations and warranties herein to become untrue in any material respect;

(iv) neither it nor any of its Subsidiaries shall issue any SBC Preferred Shares or incur any indebtedness for borrowed money or guarantee any such indebtedness if it should reasonably anticipate that after such incurrence any of its or any of its Subsidiaries' outstanding senior indebtedness would be rated A or lower by Standard & Poor's;

(v) neither it nor any of its Subsidiaries shall make any capital expenditures in any period of twelve consecutive months following the date hereof in an aggregate amount in excess of 150% of the aggregate amount of capital expenditures reflected in its capital expenditure budget for such year, a copy of which has been provided to the Company;

(vi) neither it nor any of its Subsidiaries shall transfer, lease, license, sell, mortgage, pledge, encumber or otherwise dispose of any of its or its Subsidiaries property or assets (including capital stock of any of its Subsidiaries) with a fair market value in excess of \$1.5 billion in the aggregate in any period of twelve consecutive months following the date hereof except for transfers, leases, licenses, sales, mortgages, pledges, encumbrances, or other dispositions in the ordinary course of business consistent with past practice;

(vii) neither it nor any of its Subsidiaries shall issue, deliver, sell or encumber shares of any class of its common stock or any securities convertible into, or any rights, warrants or options to acquire, any such shares, except (A) any such shares issued

pursuant to options and other awards outstanding on the date hereof under the SBC Stock Plans, awards of options and other awards granted hereafter under the SBC Stock Plans and shares issuable pursuant to such awards, (B) up to an aggregate amount of \$4.8 billion of such shares, securities, rights, warrants or options (valued at their fair market value as of the date of the agreement to make such acquisition) in any period of twelve consecutive months following the date hereof to fund, in whole or in part, the cost of any acquisition or acquisitions permitted under clause (viii) below, following reasonable notice to the Company of its intention to take such action, and (C) pursuant to the terms of the Agreement and Plan of Merger dated as of January 4, 1998, by and among Southern New England Telecommunications Corporation ("SNET"), SBC and SBC(CT) Sub, Inc. a Connecticut corporation and a wholly-owned subsidiary of SBC (the "SNET Agreement"), which issuances of SBC capital stock shall not be included in calculating the \$4.8 billion of permissible issuances, deliveries, sales or encumbrances, or require notice to the Company, pursuant to clause (B) above;

(viii) neither it nor any of its Subsidiaries shall spend in excess of \$4.8 billion in the aggregate in any period of twelve consecutive months following the date hereof to acquire any business, whether by merger, consolidation, purchase of property or assets or otherwise (valuing any non-cash consideration at its fair market value as of the date of the agreement for such acquisition); provided, however, that no such acquisition would prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement; provided, further, that the SNET Agreement and the transactions contemplated thereby shall not be subject to the terms of the foregoing restriction. Notwithstanding the foregoing, neither it nor any of its Subsidiaries shall acquire any business the acquisition of which would subject SBC and its Subsidiaries following the consummation of the Merger to any Commercial Mobile Radio Service spectrum aggregation limit restriction pursuant to the provisions of 47 C.F.R. Section 20.6 or place SBC and its Subsidiaries following the consummation of the Merger in violation of the Cellular Cross Ownership limits contained in 47 C.F.R. Section 22.942; provided, that, the SNET Agreement and the transactions contemplated thereby shall not be subject to the terms of the foregoing restriction. For purposes of this clause (viii), the amount spent with respect to any acquisition shall be deemed to include the aggregate amount of capital expenditures that the Company is obligated to make at any time or plans to make as a result of such acquisition within two years after the date of acquisition;

(ix) neither it nor any of its Subsidiaries shall enter any business other than the telecommunications business and those businesses traditionally associated with the telecommunications business; and

(x) neither it nor any of its Subsidiaries shall authorize or enter into an agreement to do any of the foregoing.

(c) SBC and the Company agree that any written approval obtained under this Section 6.1 may be relied upon by the other party if signed by the Chief Executive Officer or another executive officer of the other party.

6.2. Acquisition Proposals. (a) The Company agrees that neither it nor any of its Subsidiaries shall, and that it shall direct and use its best efforts to cause its and its Subsidiaries' employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) (the Company, its Subsidiaries and their officers, directors, employees, agents and representatives being the "Company Representatives") not to, directly or indirectly, initiate, solicit, encourage or otherwise facilitate any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, consolidation or similar transaction involving, or any purchase of, or tender offer for, any of the assets of it or any of its Subsidiaries or its voting securities if, as a result of such transaction, (i) the stockholders of the Company would not hold more than 50% of the voting securities of the surviving corporation or its ultimate parent, (ii) the directors of the Company would not constitute a majority of the board of directors of the surviving corporation or its ultimate parent, or (iii) another Person would acquire more than 50% of the assets of the Company and its Subsidiaries (any such proposal or offer being hereinafter referred to as a "Company Acquisition Proposal"). The Company further agrees that neither it nor any of its Subsidiaries shall, and that it shall direct and use its best efforts to cause the Company Representatives not to, directly or indirectly, have any discussion with or provide any confidential information or data to any Person relating to a Company Acquisition Proposal or engage in any negotiations concerning a Company Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement a Company Acquisition Proposal; provided, however, that nothing contained in this Agreement shall prevent either the Company or the Company Representatives from (A)

complying with Rule 14e-2 promulgated under the Exchange Act with regard to a Company Acquisition Proposal; (B) engaging in any discussions or negotiations with or providing any information to, any Person in response to an unsolicited bona fide written Company Acquisition Proposal by any such Person; or (C) recommending such an unsolicited bona fide written Company Acquisition Proposal to the stockholders of the Company if and only to the extent that, in such case referred to in clause (B) or (C), (i) the Board of Directors of the Company concludes in good faith (after consultation with its financial advisor) that such Company Acquisition Proposal is reasonably capable of being completed, taking into account all legal, financial, regulatory and other aspects of the proposal and the Person making the proposal, and would, if consummated, result in a transaction more favorable to the Company's stockholders from a financial point of view than the transaction contemplated by this Agreement (any such more favorable Company Acquisition Proposal being referred to in this Agreement as a "Superior Company Proposal"), (ii) the Board of Directors of the Company determines in good faith after consultation with outside legal counsel that such action is necessary for the Board of Directors to comply with its fiduciary duty under applicable law and (iii) prior to providing any information or data to any Person in connection with a Company Acquisition Proposal by any such Person, the Board of Directors of the Company shall receive from such Person a confidentiality agreement in customary form; provided, that such confidentiality agreement shall not contain terms that prevent the Company from complying with its obligations under this Section 6.2.

(b) SBC agrees that neither it nor any of its Subsidiaries shall, and that it shall direct and use its best efforts to cause its and its Subsidiaries' employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) (SBC, its Subsidiaries and their officers, directors, employees, agents and representatives being the "SBC Representatives") not to, directly or indirectly, initiate, solicit, encourage or otherwise facilitate any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, consolidation or similar transaction involving, or any purchase of, or tender offer for, all or any assets of it or any of its Subsidiaries or its voting securities if, as a result of such transaction, (i) the stockholders of SBC would not hold more than 50% of the voting securities of the surviving corporation or its ultimate parent, (ii) the directors of SBC would not constitute a majority of the board of directors of the surviving corporation or its

ultimate parent, or (iii) another Person would acquire more than 50% of the assets of SBC and its Subsidiaries (any such proposal or offer being hereinafter referred to as a "SBC Acquisition Proposal"). SBC further agrees that neither it nor any of its Subsidiaries nor any of the officers and directors of it or its Subsidiaries shall, and that it shall direct and use its best efforts to cause the SBC Representatives not to, directly or indirectly, have any discussion with or provide any confidential information or data to any Person relating to a SBC Acquisition Proposal or engage in any negotiations concerning a SBC Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement a SBC Acquisition Proposal; provided, however, that nothing contained in this Agreement shall prevent either SBC or the SBC Representatives from (A) complying with Rule 14e-2 promulgated under the Exchange Act with regard to a SBC Acquisition Proposal; (B) engaging in any discussions or negotiations with or providing any information to, any Person in response to an unsolicited bona fide written SBC Acquisition Proposal by any such Person; or (C) recommending such an unsolicited bona fide written SBC Acquisition Proposal to the stockholders of SBC if and only to the extent that, in such cases referred to in clause (B) or (C), (i) the Board of Directors of SBC concludes in good faith (after consultation with its financial advisor) that such SBC Acquisition Proposal is reasonably capable of being completed, taking into account all legal, financial, regulatory and other aspects of the proposal and the Person making the proposal, and would, if consummated, result in a transaction more favorable to SBC or SBC's stockholders from a financial point of view than the transaction contemplated by this Agreement (any such more favorable SBC Acquisition Proposal being referred to herein as a "Superior SBC Proposal"), (ii) the Board of Directors of SBC determines in good faith after consultation with outside legal counsel that such action is necessary for the Board of Directors to comply with its fiduciary duty under applicable law and (iii) prior to providing any information or data to any Person in connection with a SBC Acquisition Proposal by any such Person, the Board of Directors of SBC shall receive from such Person a confidentiality agreement in customary form; provided, that, such confidentiality agreement shall not contain terms that prevent SBC from complying with its obligations under this Section 6.2.

(c) The Company and SBC each agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any Company Acquisition Proposal or SBC Acquisition Proposal, as the

case may be. The Company and SBC each agrees that it will take the necessary steps to promptly inform the individuals or entities referred to in the first sentence of paragraphs (a) and (b), respectively, of the obligations undertaken in Section 6.2(a) or (b), as the case may be. The Company and SBC each agrees that it will notify the other immediately if any such inquiries, proposals or offers are received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, any of its representatives indicating, in connection with such notice, the name of such Person and the terms and conditions of any proposals or offers, and thereafter shall inform the other of any material modification of the terms of any such proposal or offer or the withdrawal thereof. The Company and SBC each also agrees that it will promptly request each Person that has heretofore executed a confidentiality agreement in connection with its consideration of any Company Acquisition Proposal or any SBC Acquisition Proposal, as the case may be, to return all confidential information heretofore furnished to such Person by or on behalf of it or any of its Subsidiaries.

6.3. Information Supplied. The Company and SBC each agrees, as to itself and its Subsidiaries, that none of the information supplied or to be supplied by it or its Subsidiaries for inclusion or incorporation by reference in (i) the Registration Statement on Form S-4 to be filed with the SEC by SBC in connection with the issuance of shares of SBC Common Stock in the Merger (including the joint proxy statement and prospectus (the "Prospectus/Proxy Statement") constituting a part thereof) (the "S-4 Registration Statement") will, at the time the S-4 Registration Statement becomes effective under the Securities Act, and (ii) the Prospectus/Proxy Statement and any amendment or supplement thereto will, at the date of mailing to stockholders and at the times of the meetings of stockholders of the Company and SBC to be held in connection with the Merger, in any such case, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time any information relating to SBC or the Company, or any of their respective affiliates, officers or directors, should be discovered by SBC or the Company which should be set forth in an amendment or supplement to either the S-4 Registration Statement or the Prospectus/Proxy Statement, so that any of such documents would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading; the party which discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by law, disseminated to the stockholders of the Company and SBC.

6.4. Stockholders Meetings. The Company will take, in accordance with applicable law and its certificate of incorporation and by-laws, all action necessary to convene a meeting of holders of Company Shares (the "Company Stockholders Meeting") as promptly as practicable after the S-4 Registration Statement is declared effective to consider and vote upon the adoption of this Agreement. SBC will take, in accordance with applicable law and its certificate of incorporation and by-laws, all action necessary to convene a meeting of holders of the SBC Common Stock (the "SBC Stockholders Meeting", and either the SBC Stockholders Meeting or the Company Stockholders Meeting, a "Stockholders Meeting") as promptly as practicable after the S-4 Registration Statement is declared effective to consider and vote upon the approval of the issuance of SBC Common Stock required to be issued pursuant to Article IV. Subject to fiduciary obligations under applicable law and the terms of this Agreement, the Company's Board of Directors shall recommend that the stockholders of the Company adopt this Agreement and thereby approve the transactions contemplated hereby and shall take all lawful action to solicit such adoption, and SBC's Board of Directors shall recommend that the stockholders of SBC approve the issuance of SBC Common Stock required to be issued pursuant to Article IV and shall take all lawful action to solicit such approval.

6.5. Filings; Other Actions; Notification.

(a) SBC and the Company shall promptly prepare and file with the SEC the Prospectus/Proxy Statement, and SBC shall prepare and file with the SEC the S-4 Registration Statement as promptly as practicable. SBC and the Company each shall use all reasonable best efforts to have the S-4 Registration Statement declared effective under the Securities Act as promptly as practicable after such filing, and promptly thereafter mail the Prospectus/Proxy Statement to the respective stockholders of each of the Company and SBC. SBC shall also use all reasonable best efforts to obtain prior to the effective date of the S-4 Registration Statement all necessary state securities law or "blue sky" permits and approvals required in connection with the Merger and to consummate the other transactions contemplated by this Agreement and will pay all expenses incident thereto.



(b) The Company and SBC each shall use all reasonable best efforts to cause (x) the Merger to qualify for "pooling of interests" accounting treatment and (y) to be delivered to the other party and its directors a letter of its independent auditors, dated (i) the date on which the S-4 Registration Statement shall become effective and (ii) the Closing Date, and addressed to the other party and its directors, in form and substance customary for "comfort" letters delivered by independent public accountants in connection with registration statements similar to the S-4 Registration Statement.

(c) The Company and SBC shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) all their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on its part under this Agreement and applicable Laws to consummate and make effective the Merger and the other transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations required to be obtained from any third party and/or any Governmental Entity in connection with the execution and delivery of this Agreement and the consummation of the Merger and the other transactions contemplated hereby; provided, however, that nothing in this Section 6.5 shall require, or be construed to require, SBC or the Company to agree to, or comply with, any conditions to the granting of any such consent, registration, approval, permit or authorization by any Governmental Entity if compliance with such conditions, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect on the Surviving Corporation or SBC following the Effective Time (it being understood that, for this purpose only, materiality shall be determined by reference to the trading market equity value of SBC prior to the consummation of the Merger and after taking into account (i) any adverse effects reasonably likely to arise from any restrictions on the ability of the Surviving Corporation or SBC or any of their respective Subsidiaries to conduct its operations as currently conducted or as proposed as of the date of this Agreement to be conducted resulting from complying with the conditions to or from the grant of any such consent, registration, approval, permit or authorization, (ii) any benefits reasonably likely to be realized by SBC on a consolidated basis (other than those operational benefits reasonably likely to be realized

directly from the consummation of the Merger) resulting from complying with the conditions to or from the grant of any such consent, registration, approval, permit or authorization, and (iii) any proceeds resulting from any divestiture required by a Governmental Entity as a condition to its granting any such consent, registration, approval, permit or authorization); provided, further, that any divestiture by either SBC or the Company or any of their respective Subsidiaries reasonably required to cause the Surviving Corporation to be in compliance with the Commercial Mobile Radio Service spectrum aggregation limits established by the FCC in 47 C.F.R. Section 20.6 and the Cellular Cross Ownership limits contained in 47 C.F.R. Section 22.942 shall be deemed not to have any adverse effect on either the Surviving Corporation or SBC following the Effective Time (a "Regulatory Material Adverse Effect"). Subject to applicable laws relating to the exchange of information, SBC and the Company shall have the right to review in advance, and to the extent practicable each will consult the other on, all the information relating to SBC or the Company, as the case may be, and any of their respective Subsidiaries, that appear in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement. In exercising the foregoing right, each of the Company and SBC shall act reasonably and as promptly as practicable.

(d) The Company and SBC each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with the Prospectus/Proxy Statement, the S-4 Registration Statement or any other statement, filing, notice or application made by or on behalf of SBC, the Company or any of their respective Subsidiaries to any third party and/or any Governmental Entity in connection with the Merger and the transactions contemplated by this Agreement.

(e) The Company and SBC each shall keep the other apprised of the status of matters relating to completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notice or other communications received by SBC or the Company, as the case may be, or any of its Subsidiaries, from any third party and/or any Governmental Entity with respect to the Merger and the other transactions contemplated by this Agreement. Each of the Company and SBC shall give prompt notice to the other of any change that is reasonably likely to result in a Material Adverse Effect on

it or of any failure of any condition to the other party's obligations to effect the Merger set forth in Article VII.

6.6. Access; Consultation. (a) Upon reasonable notice, and except as may otherwise be required by applicable law, the Company and SBC each shall (and shall cause its Subsidiaries to) afford the SBC Representatives or the Company Representatives, as the case may be, reasonable access, during normal business hours throughout the period prior to the Effective Time, to its properties, books, contracts and records and, during such period, each shall (and shall cause its Subsidiaries to) furnish promptly to the other all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section shall affect or be deemed to modify any representation or warranty made by the Company, SBC or Merger Sub hereunder, and provided, further, that the foregoing shall not require the Company or SBC to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company or SBC, as the case may be, would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality if the Company or SBC, as the case may be, shall have used all reasonable best efforts to obtain the consent of such third party to such inspection or disclosure. All requests for information made pursuant to this Section shall be directed to an executive officer of the Company or SBC, as the case may be, or such Person as may be designated by any such executive officer, as the case may be.

(b) From the date hereof to the Effective Time, SBC and the Company agree to consult with each other on a regular basis on a schedule to be agreed with regard to their respective operations.

(c) From the date hereof to the Effective Time, the Company agrees to notify SBC in advance of any issuance by the Company or any of its Subsidiaries of any long-term debt in excess of \$50 million, Company Preferred Shares or Company Preference Shares.

6.7. Affiliates. (a) Each of the Company and SBC shall deliver to the other a letter identifying all Persons whom such party believes to be, at the date of the Stockholders Meeting of such party, "affiliates" of such party for purposes of applicable interpretations regarding use of the pooling-of-interests accounting method and, in the case of "affiliates" of the Company, for purposes of Rule 145 under the Securities Act. Each of the Company and SBC shall use all reasonable best efforts to cause each

Person who is identified as an "affiliate" in the letter referred to above to deliver to SBC on or prior to the date of the Stockholders Meeting of such party a written agreement, in the form attached hereto as Exhibit A, in the case of affiliates of the Company (the "Company Affiliate's Letter"), and Exhibit B, in the case of affiliates of SBC (the "SBC Affiliate's Letter"). Prior to the Effective Time, each of the Company and SBC shall use all reasonable best efforts to cause each additional Person who is identified as an "affiliate" after the date of the relevant Stockholders Meeting to execute the applicable written agreement as set forth in this Section 6.7, as soon as practicable after such Person is identified.

(b) If the Merger would otherwise qualify for pooling-of-interests accounting treatment, shares of SBC Common Stock issued to such affiliates of the Company in exchange for Company Shares shall not be transferable until such time as financial results covering at least 30 days of combined operations of SBC and the Company shall have been published within the meaning of Section 201.01 of the SEC's Codification of Financial Reporting Policies, regardless of whether each such affiliate has provided the written agreement referred to in this Section, except to the extent permitted by, and in accordance with, SEC Accounting Series Release 135 and SEC Staff Accounting Bulletins 65 and 76. Any Company Shares held by any such affiliate shall not be transferable, regardless of whether such affiliate has provided the applicable written agreement referred to in this Section, if such transfer, either alone or in the aggregate with other transfers by affiliates, would preclude SBC's ability to account for the business combination to be effected by the Merger as a pooling of interests. The Company shall not register the transfer of any Certificate, unless such transfer is made in compliance with the foregoing.

6.8. Stock Exchange Listing and De-listing. SBC shall use its best efforts to cause the shares of SBC Common Stock to be issued in the Merger to be approved for listing on the New York Stock Exchange ("NYSE"), subject to official notice of issuance, prior to the Closing Date. The Surviving Corporation shall use its best efforts to cause the Company Shares to be de-listed from the NYSE and the Chicago, Boston, Pacific and Philadelphia stock exchanges and de-registered under the Exchange Act as soon as practicable following the Effective Time.

6.9. Publicity. The initial press release with respect to the Merger shall be a joint press release and thereafter the Company and SBC shall consult with each other

prior to issuing any press releases or otherwise making public announcements with respect to the Merger and the other transactions contemplated by this Agreement and prior to making any filings with any third party and/or any Governmental Entity (including any national securities exchange) with respect thereto, except as may be required by law or by obligations pursuant to any listing agreement with or rules of any national securities exchange.

6.10. Benefits.

(a) Stock Options.

(i) At the Effective Time, each outstanding option to purchase Company Shares (a "Company Option") under the Company Stock Plans, whether vested or unvested, shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Company Option (except to the extent such terms and conditions are altered in accordance with their terms as a result of the consummation of the transactions contemplated by this Agreement), the same number of shares of SBC Common Stock as the holder of such Company Option would have been entitled to receive pursuant to the Merger had such holder exercised such Company Option in full immediately prior to the Effective Time (rounded down to the nearest whole number) (a "Substitute Option"), at an exercise price per share (rounded up to the nearest whole cent) (the "Substitute Option Price") equal to (y) the aggregate exercise price for the Company Shares otherwise purchasable pursuant to such Company Option divided by (z) the number of full shares of SBC Common Stock deemed purchasable pursuant to such Company Option in accordance with the foregoing. For each Substitute Option substituted for a Company Option that included a right under certain circumstances to receive dividend equivalents in the form of stock units ("Company Stock Units"), all Company Stock Units credited to the account of the holder of such Substitute Option at the Effective Time shall, as of the Effective Time, be deemed to constitute a number of stock units, each of which shall represent one share of SBC Common Stock ("SBC Stock Units"), equal to the number of shares of SBC Common Stock the holder of such Substitute Option would have been entitled to receive pursuant to this Agreement had such Company Stock Units been distributed to such holder in full immediately prior to the Effective Time and thereafter SBC Stock Units shall continue to be credited to the account of the holder of such Substitute Option to the same extent and on the same terms and conditions as they would have under the Company Option for which the Substitute Option was substituted (except that the record dates and dividend

amounts shall be the record dates and dividend amounts for SBC Common Stock), and all such SBC Stock Units shall be distributed at the same times and in the same manner as the Company Stock Units would have been distributed had the Substitute Option not been substituted for the Company Option (except that the option price used to determine if the SBC Stock Units can be distributed shall be the Substitute Option Price). At or prior to the Effective Time, the Company shall make all necessary arrangements with respect to the Company Stock Plans to permit the assumption of the unexercised Company Options by SBC pursuant to this Section and as soon as practicable after the Effective Time SBC shall use its best efforts to register under the Securities Act on Form S-8 or other appropriate form (and use its best efforts to maintain the effectiveness thereof) shares of SBC Common Stock issuable pursuant to all Substitute Options.

(ii) Effective at the Effective Time, SBC shall assume each Company Option in accordance with the terms of the Company Stock Plan under which it was issued and the stock option agreement by which it is evidenced. As promptly as practicable after the Effective Time, the Company shall deliver to the participants in the Stock Plans appropriate notices setting forth such participants' rights pursuant to such assumed Company Options.

(b) Employee Benefits. SBC agrees that it shall cause the Surviving Corporation for at least two years after the Effective Time to provide or cause to be provided to employees of the Company and its Subsidiaries compensation and benefit plans that are no less favorable, in the aggregate, than the Company Compensation and Benefit Plans disclosed in Section 6.10(b) of the Company Disclosure Letter; provided, however, if during this period SBC implements any widespread increase or decrease in benefits under compensation and benefit plans or in the cost thereof to participants under compensation and benefit plans applicable to employees of SBC and its Subsidiaries (other than the Surviving Corporation and its Subsidiaries), the Surviving Corporation shall proportionately adjust the benefits under the Company's compensation and benefit plans or the cost thereof to participants, and provided, further with respect to employees who are subject to collective bargaining, all benefits shall be provided only in accordance with the applicable collective bargaining agreement. At or prior to the Effective Time, the Company shall make all necessary arrangements to cause any Company Share units under the Company's Compensation and Benefit Plans to be converted into share units with respect to SBC

Common Stock by multiplying the Company Shares subject to such Company Share units by the Exchange Ratio. SBC shall, and shall cause the Surviving Corporation to, honor, pursuant to their terms, all employee benefit obligations existing at the Closing Date to current and former employees under the Company Compensation and Benefit Plans.

6.11. Expenses. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the Merger and the other transactions contemplated by this Agreement shall be paid by the party incurring such expense, except that expenses incurred in connection with the filing fee for the S-4 Registration Statement and printing and mailing the Prospectus/Proxy Statement and the S-4 Registration Statement and the filing fee under the HSR Act shall be shared equally by SBC and the Company.

6.12. Indemnification; Directors' and Officers' Insurance. (a) From and after the Effective Time, SBC shall, and shall cause the Surviving Corporation to, indemnify and hold harmless each present and former director and officer of the Company (when acting in such capacity) determined as of the Effective Time (the "Indemnified Parties"), against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities (collectively, "Costs") incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under Delaware law (and the Surviving Corporation shall also advance expenses as incurred to the fullest extent permitted under applicable law, provided the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification).

(b) Any Indemnified Party wishing to claim indemnification under paragraph (a) of this Section 6.12, upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify the Surviving Corporation thereof, but the failure to so notify shall not relieve the Surviving Corporation of any liability it may have to such Indemnified Party if such failure does not materially prejudice the Surviving Corporation. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), (i) the Surviving Corporation shall have the right to

assume the defense thereof and the Surviving Corporation shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, except that if the Surviving Corporation elects not to assume such defense or counsel for the Indemnified Parties advises that there are issues which raise conflicts of interest between the Surviving Corporation and the Indemnified Parties, the Indemnified Parties may retain counsel satisfactory to them, and the Surviving Corporation shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received; provided, however, that the Surviving Corporation shall be obligated pursuant to this paragraph (b) to pay for only one firm of counsel for all Indemnified Parties in any jurisdiction (unless there is a conflict of interest as provided above) (ii) the Indemnified Parties will cooperate in the defense of any such matter and (iii) the Surviving Corporation shall not be liable for any settlement effected without its prior written consent.

(c) The Surviving Corporation shall maintain a policy of officers' and directors' liability insurance for acts and omissions occurring prior to the Effective Time ("D&O Insurance") with coverage in amount and scope at least as favorable as the Company's existing directors' and officers' liability insurance coverage for a period of six years after the Effective Time; provided, however, if the existing D&O Insurance expires, is terminated or cancelled, or if the annual premium therefor is increased to an amount in excess of 175% of the last annual premium paid prior to the date hereof (the "Current Premium"), in each case during such six year period, the Surviving Corporation will use its best efforts to obtain D&O Insurance in an amount and scope as great as can be obtained for the remainder of such period for a premium not in excess (on an annualized basis) of 175% of the Current Premium.

(d) If SBC or any of its successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then and in each such case, proper provisions shall be made so that the successors and assigns of SBC shall assume all of the obligations set forth in this Section.



(e) The provisions of this Section are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties, their heirs and their representatives.

6.13. Takeover Statute. If any Takeover Statute is or may become applicable to the Merger or the other transactions contemplated by this Agreement, each of SBC and the Company and its Board of Directors shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement or by the Merger and otherwise act to eliminate or minimize the effects of such statute or regulation on such transactions. The Company will cause the Rights Agent to promptly execute the Rights Amendment.

6.14. Dividends. The Company shall coordinate with SBC the declaration, setting of record dates and payment dates of dividends on Company Shares so that holders of Company Shares do not receive dividends on both Company Shares and SBC Common Stock received in the Merger in respect of any calendar quarter or fail to receive a dividend on either Company Shares or SBC Common Stock received in the Merger in respect of any calendar quarter.

6.15. Confidentiality. The Company and SBC each acknowledges and confirms that it has entered into a Confidentiality and Non-Disclosure Agreement, dated April 8, 1997 (the "Confidentiality Agreement"), that information provided by each party hereto to the other party hereto pursuant to this Agreement is subject to the terms of the Confidentiality Agreement and that the Confidentiality Agreement shall remain in full force and effect in accordance with its terms, except that notwithstanding any provision to the contrary contained in the Confidentiality Agreement, the Confidentiality Agreement shall not terminate until the earlier to occur of the following: (i) the Effective Time and (ii) the expiration of two years following the date of any termination of this Agreement pursuant to Article VIII.

6.16. Control of the Company's Operations. Nothing contained in this Agreement shall give SBC or the Company, directly or indirectly, rights to control or direct the operations of the other prior to the Effective Time. Prior to the Effective Time, each of SBC and the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its operations.

## ARTICLE VII

### Conditions

7.1. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or waiver at or prior to the Effective Time of each of the following conditions:

(a) Stockholder Approval. This Agreement shall have been duly adopted by holders of Company Shares constituting the Company Requisite Vote and have been duly adopted by the sole stockholder of Merger Sub, and the issuance of SBC Common Stock required to be issued pursuant to Article IV shall have been duly approved by the holders of shares of SBC Common Stock constituting the SBC Requisite Vote;

(b) NYSE Listing. The shares of SBC Common Stock issuable to the Company stockholders pursuant to this Agreement shall have been authorized for listing on the NYSE upon official notice of issuance.

(c) Governmental Consents. The waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated and all material Company Required Consents and material SBC Required Consents from or with any Governmental Entity shall have been made or obtained pursuant to a Final Order, free of any conditions (other than conditions that are not reasonably likely, either individually or in the aggregate, to have a Regulatory Material Adverse Effect). For the purposes of this Agreement, "Final Order" means an action or decision that has been granted as to which (a) no request for a stay or any similar request is pending, no stay is in effect, the action or decision has not been vacated, reversed, set aside, annulled or suspended and any deadline for filing such a request that may be designated by statute or regulation has passed, (b) no petition for rehearing or reconsideration or application for review is pending and the time for the filing of any such petition or application has passed, (c) no Governmental Entity has undertaken to reconsider the action on its own motion and the time within which it may effect such reconsideration has passed and (d) no appeal is pending (including other administrative or judicial review) or in effect and any deadline for filing any such appeal that may be specified by statute or rule has passed, which in any such case (a), (b), (c) or (d) is reasonably likely to result in vacating, reversing, setting aside, annulling, suspending or modifying such action or

decision (in any such case in a manner which would have a Regulatory Material Adverse Effect following the Effective Time).

(d) Laws and Order. No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the Merger or the other transactions contemplated by this Agreement or that is, individually or in the aggregate with all other such Laws, reasonably likely to have a Material Adverse Effect on SBC or the Company (collectively, an "Order"), and no Governmental Entity shall have instituted any proceeding, or, in the case of a federal Governmental Entity, threatened in writing to institute any proceeding, seeking any such Order.

(e) S-4. The S-4 Registration Statement shall have become effective under the Securities Act. No stop order suspending the effectiveness of the S-4 Registration Statement shall have been issued, and no proceedings for that purpose shall have been initiated or be threatened by the SEC.

(f) Accountants' Letters. SBC and the Company shall have received the "comfort" letters described in Section 6.5(b). SBC and the Company shall have received letters from their respective independent public accounting firms to the effect that the Merger will qualify for "pooling of interests" accounting treatment.

(g) Blue Sky Approvals. SBC shall have received all state securities and "blue sky" permits and approvals necessary to consummate the transactions contemplated hereby.

7.2. Conditions to Obligations of SBC and Merger Sub. The obligations of SBC and Merger Sub to effect the Merger are also subject to the satisfaction or waiver by SBC at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company set forth in this Agreement (i) to the extent qualified by Material Adverse Effect shall be true and correct and (ii) to the extent not qualified by Material Adverse Effect shall be true and correct, except that this clause (ii) shall be deemed satisfied so long as any failures of such representations and warranties to be true and correct, taken

together, do not have a Material Adverse Effect on the Company, in each case (i) and (ii), as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date), and SBC shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and SBC shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(c) Consents Under Agreements. The Company shall have obtained the consent or approval of each Person whose consent or approval shall be required in order to consummate the transactions contemplated by this Agreement under any Contract to which the Company or any of its Subsidiaries is a party, except those for which the failure to obtain such consent or approval, individually or in the aggregate, is not reasonably likely to have, a Material Adverse Effect on the Company.

(d) Tax Opinion. SBC shall have received the opinion of Sullivan & Cromwell, counsel to SBC, dated the Closing Date, to the effect that the Merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, and that each of SBC, Merger Sub and the Company will be a party to that reorganization within the meaning of Section 368(b) of the Code; it being understood that in rendering such opinion, such counsel shall be entitled to rely on certain customary representations and assumptions.

7.3. Conditions to Obligation of the Company. The obligation of the Company to effect the Merger is also subject to the satisfaction or waiver by the Company at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of SBC and Merger Sub set forth in this Agreement (i) to the extent qualified by Material Adverse Effect shall be true and correct, and (ii) to the extent not qualified by Material Adverse Effect shall be true and correct, except that this clause (ii) shall be deemed satisfied so long as any failures of such representations and warranties to be true and correct, taken together, do not have a Material Adverse Effect on SBC, in

each case (i) and (ii), as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date), and the Company shall have received a certificate signed on behalf of SBC by an executive officer of SBC to such effect.

(b) Performance of Obligations of SBC and Merger Sub. Each of SBC and Merger Sub shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and the Company shall have received a certificate signed on behalf of SBC and Merger Sub by an executive officer of SBC to such effect.

(c) Tax Opinion. The Company shall have received the opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), counsel to the Company, dated the Closing Date, to the effect that the Merger will be treated for Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, and that each of SBC, Merger Sub and the Company will be a party to that reorganization within the meaning of Section 368(b) of the Code; it being understood that in rendering such opinion, such counsel shall be entitled to rely on certain customary representations and assumptions.

## ARTICLE VIII

### Termination

8.1. Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after the approval by stockholders of the Company and SBC referred to in Section 7.1(a), by mutual written consent of the Company and SBC, by action of their respective Boards of Directors.

8.2. Termination by Either SBC or the Company. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action of the Board of Directors of either SBC or the Company if (i) the Merger shall not have been consummated by July 31, 1999 (the "Termination Date"), whether such date is before or after the date of approval by the stockholders of the Company or SBC; provided, however, that if SBC or the Company determines that additional time is necessary in connection with obtaining a SBC Required Consent or a Company Required Consent from or with any Governmental

Entity, the Termination Date may be extended for up to 60 calendar days at any one time by SBC or the Company from time to time by written notice to the other party up to a date not beyond March 31, 2000, which date shall be deemed to be the Termination Date, (ii) the adoption of this Agreement by the Company's stockholders required by Section 7.1(a) shall not have occurred at a meeting duly convened therefor or at any adjournment or postponement thereof, (iii) the approval of SBC's stockholders necessary for the issuance of SBC Common Stock required to be issued pursuant to Article IV as required by Section 7.1(a) shall not have been obtained at a meeting duly convened therefor or at any adjournment or postponement thereof, or (iv) any Order permanently restraining, enjoining or otherwise prohibiting consummation of the Merger shall become final and non-appealable (whether before or after the adoption or approval by the stockholders of the Company or SBC, as the case may be); provided, that the right to terminate this Agreement pursuant to clause (i) above shall not be available to any party that has breached in any material respect its obligations under this Agreement in any manner that shall have proximately contributed to the failure of the Merger to be consummated.

8.3. Termination by the Company. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after the adoption of this Agreement by the stockholders of the Company referred to in Section 7.1(a), by action of the Board of Directors of the Company:

(a) if (i) the Board of Directors of the Company approves entering into a binding written agreement concerning a transaction that constitutes a Superior Company Proposal and the Company notifies SBC in writing that the Company desires to enter into such agreement, (ii) SBC does not make, within ten calendar days after receipt of the Company's written notification of its desire to enter into a binding agreement for a Superior Company Proposal, the terms of which are specified in such notice, an offer that the Board of Directors of the Company believes, in good faith after consultation with its financial advisors, is at least as favorable, from a financial point of view, to the stockholders of the Company as the Superior Company Proposal, and (iii) the Company prior to such termination pays to SBC in immediately available funds any fees required to be paid pursuant to Section 8.5(b). The Company agrees to notify SBC promptly if its desire to enter into a written agreement referred to in its notification shall change at any time after giving such notification; or

(b) if (i) the Board of Directors of SBC shall have withdrawn or adversely modified its approval of this Agreement or its recommendation to the stockholders of SBC that such stockholders approve the issuance of SBC Common Stock required to be issued pursuant to Article IV or failed to reconfirm such recommendation within fifteen business days after a written request by the Company to do so; provided that such a request is made after the Board of Directors of SBC or any SBC Representative shall have taken any of the actions that would be proscribed by Section 6.2(b) but for the exception therein allowing certain actions to be taken pursuant to clause (B) or (C) of the proviso thereof with respect to any bona fide written SBC Acquisition Proposal that has not been withdrawn or rejected by the Board of Directors of SBC, (ii) there has been a material breach by SBC or Merger Sub of any representation, warranty, covenant or agreement contained in this Agreement which (x) would result in a failure of a condition set forth in Section 7.3(a) or 7.3(b) and (y) cannot be or is not cured prior to the Termination Date, or (iii) SBC or any SBC Representative shall take any of the actions that would be proscribed by Section 6.2(b) but for the exception therein allowing certain actions to be taken pursuant to clause (B) or (C) of the proviso thereof (other than any such actions taken pursuant to such clause (B) with respect to any bona fide written SBC Acquisition Proposal (received after the date hereof that was not solicited by SBC after the date hereof) during the Initial 50 Day Period, if such SBC Acquisition Proposal is received during the first through the 30th days of the Initial 50 Day Period or during the 20 calendar day period following receipt of such SBC Acquisition Proposal by SBC if such SBC Acquisition Proposal is received during the 31st through 50th days of the Initial 50 Day Period, in each case if, and only if, SBC receives such SBC Acquisition Proposal during the Initial 50 Day Period). For purposes of this Agreement, the "Initial 50 Day Period" shall mean the 50 calendar day period commencing with the first calendar day after the day on which this Agreement shall have been filed by SBC or the Company with the SEC as an exhibit to a Current Report on Form 8-K under the Exchange Act.

8.4. Termination by SBC. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, before or after the approval by the stockholders of SBC referred to in Section 7.1(a), by action of the Board of Directors of SBC:

(a) If (i) the Board of Directors of SBC approves entering into a binding written agreement concerning a transaction that constitutes a Superior SBC

Proposal and SBC notifies the Company in writing that SBC desires to enter into such agreement, (ii) the Company does not make, within ten days after receipt of SBC's written notification of its desire to enter into a binding agreement for a Superior SBC Proposal, the terms of which are specified in such notice, an offer that the Board of Directors of SBC believes, in good faith after consultation with its financial advisors, is at least as favorable, from a financial point of view, to the stockholders of SBC as the Superior SBC Proposal, and (iii) SBC prior to such termination pays to the Company in immediately available funds any fees required to be paid pursuant to Section 8.5(c). SBC agrees to notify the Company promptly if its desire to enter into a written agreement referred to in its notification shall change at any time after giving such notification.

(b) If (i) the Board of Directors of the Company shall have withdrawn or adversely modified its approval or recommendation to the Company's stockholders of this Agreement, or failed to reconfirm such recommendation within fifteen business days after a written request by SBC to do so; provided that such a request is made after the Board of Directors of the Company or any Company Representative shall have taken any of the actions that would be proscribed by Section 6.2(a) but for the exception therein allowing certain actions to be taken pursuant to clause (B) or (C) of the proviso thereof with respect to any bona fide written Company Acquisition Proposal that has not been withdrawn or rejected by the Board of Directors of the Company, or (ii) there has been a material breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement which (x) would result in a failure of a condition set forth in Section 7.2(a) or 7.2(b) and (y) cannot be or is not cured prior to the Termination Date, or (iii) if the Company or any Company Representative shall take any of the actions that would be proscribed by Section 6.2(a) but for the exception therein allowing certain actions to be taken pursuant to clause (B) or (C) of the proviso thereof (other than any such actions taken pursuant to such clause (B) with respect to any bona fide written Company Acquisition Proposal (received after the date hereof that was not solicited by the Company after the date hereof) during the Initial 50 Day Period, if such Company Acquisition Proposal is received during the first through the 30th days of the Initial 50 Day Period or during the 20 calendar day period following receipt of such Company Acquisition Proposal by the Company if such Company Acquisition Proposal is received during the 31st through 50th days of the Initial 50 Day Period, in each case if, and



only if, the Company receives such Company Acquisition Proposal during the Initial 50 Day Period).

8.5. Effect of Termination and Abandonment.

(a) In the event of termination of this Agreement and the abandonment of the Merger pursuant to this Article VIII, this Agreement (other than as set forth in Section 9.1) shall become void and of no effect with no liability on the part of any party hereto (or of any of its directors, officers, employees, agents, legal or financial advisors or other representatives); provided, however, no such termination shall relieve any party hereto from any liability for damages resulting from any willful and intentional breach of this Agreement (to the extent any such damages exceed any Termination Fee that may have been paid pursuant to Section 8.5(b) or 8.5(c)) or from any obligation to pay, if applicable, the Termination Fee pursuant to Section 8.5(b) or 8.5(c).

(b) In the event that (i) a bona fide Company Acquisition Proposal shall have been made to the Company and made known to stockholders generally or have been made directly to stockholders generally or any Person shall have publicly announced an intention (whether or not conditional) to make a bona fide Company Acquisition Proposal and such Company Acquisition Proposal or announced intention shall not have been withdrawn prior to the Company's Stockholders Meeting and thereafter this Agreement is terminated by either SBC or the Company pursuant to Section 8.2(ii) and within nine months after such termination the Company shall have entered into an agreement to consummate a transaction that would constitute a Company Acquisition Proposal if it were the subject of a proposal, or (ii) this Agreement is terminated (x) by the Company pursuant to Section 8.3(a) or (y) by SBC pursuant to Section 8.4(b)(i), (b)(ii) (solely with respect to a willful and intentional breach) or (b)(iii), then the Company shall promptly, but in no event later than two days after the date of such termination (except as otherwise provided in Section 8.3(a)), or, in the case of termination pursuant to Section 8.2(ii), two days after the relevant agreement is entered into, pay SBC a fee equal to \$1.2 billion (the "Termination Fee"), which amount shall be exclusive of any expenses to be paid pursuant to Section 6.11, payable by wire transfer of same day funds. The Company acknowledges that the agreements contained in this Section 8.5(b) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, SBC and Merger Sub would not enter into this Agreement; accordingly, if the Company fails to pay promptly the amount due pursuant to this Section 8.5(b), and, in order to obtain such payment, SBC or Merger